

104TH CONGRESS
1ST SESSION

H. R. 1054

To amend the Internal Revenue Code of 1986 to provide that the corporate income tax shall apply to certain Government-sponsored enterprises.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1995

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the corporate income tax shall apply to certain Government-sponsored enterprises.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. APPLICATION OF CORPORATE INCOME TAX TO**
4 **CERTAIN GOVERNMENT-SPONSORED ENTER-**
5 **PRISES.**

6 (a) IN GENERAL.—Section 11 of the Internal Reve-
7 nue Code of 1986 (relating to tax imposed on corpora-
8 tions) is amended by adding at the end the following new
9 subsection:

1 “(e) APPLICATION OF TAX TO CERTAIN GOVERN-
2 MENT-SPONSORED ENTERPRISES.—

3 “(1) IN GENERAL.—In the case of a specified
4 Government-sponsored enterprise, the taxes imposed
5 by subsection (a) and section 55 plus a surtax of 10
6 percent of such taxes shall apply for the taxable year
7 unless the requirements of paragraph (2) are met
8 for such year.

9 “(2) REQUIREMENTS.—

10 “(A) IN GENERAL.—A specified Govern-
11 ment-sponsored enterprise meets the require-
12 ments of this paragraph for any taxable year
13 if—

14 “(i) not later than the time prescribed
15 for filing the return of tax (determined
16 without regard to extensions) for such tax-
17 able year, such enterprise makes a pay-
18 ment in lieu of taxes to the District of Co-
19 lumbia of not less than 5 percent of such
20 enterprise’s taxable income (determined
21 without regard to such payment) for such
22 taxable year,

23 “(ii) the headquarters of such enter-
24 prise is located in the District of Columbia
25 throughout the taxable year, and

1 “(iii) the number of employees em-
2 ployed by such enterprise in the District of
3 Columbia is not substantially less than
4 such number as of December 31, 1994.

5 “(B) PHASEIN OF REQUIREMENT.—In the
6 case of the first taxable year beginning after
7 the date of the enactment of this subsection,
8 subparagraph (A)(i) shall be applied by sub-
9 stituting ‘2.5 percent’ for ‘5 percent’.

10 “(3) SPECIFIED GOVERNMENT-SPONSORED EN-
11 TERPRISE.—For purposes of this subsection, the
12 term ‘specified Government-sponsored enterprise’
13 means the Federal National Mortgage Association,
14 the Federal Home Loan Mortgage Corporation, and
15 the Student Loan Marketing Association.”

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall apply to taxable years beginning after
18 the date of the enactment of this Act.

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